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**WATERFALL ECONOMIDIS CALDWELL
HANSHAW & VILLAMANA**

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TUCSON, ARIZONA 85711

(520) 790-5828

Arizona Corporation Commission
DOCKETED

JUL 12 2006

Russell E. Jones, SBN 000549
D. Michael Mandig, SBN 005601
Attorneys for Trico Electric Cooperative, Inc.

DOCKETED BY

NP

BEFORE THE ARIZONA CORPORATION COMMISSION

MARC SPITZER
Chairman
KRISTIN K. MAYES
Commissioner
JEFF HATCH-MILLER
Commissioner
WILLIAM MUNDELL
Commissioner
MIKE GLEASON
CommissionerAZ CORP COMMISSION
DOCUMENT CONTROL

2006 JUL 12 A 10:47

RECEIVED

IN THE MATTER OF THE APPLICATION
OF TRICO ELECTRIC COOPERATIVE, INC.
FOR AN EXTENSION OF ITS
CERTIFICATES OF CONVENIENCE AND
NECESSITY IN AREAS OF PINAL
COUNTY, ARIZONA


Docket No. E-1461A-04-0393

**NOTICE OF FILING PINAL
COUNTY FRANCHISE**

TRICO ELECTRIC COOPERATIVE, INC., the Applicant in the foregoing proceedings, hereby files with the Arizona Corporation Commission in the above Docket No. a true copy of the Expansion and Amendment of the Trico Electric Cooperative, Inc. Electric Utility Franchise issued by the Board of Supervisors of Pinal County, Arizona, on April 27, 2005.

1 DATED this 11th day of July, 2006.

2 WATERFALL ECONOMIDIS CALDWELL
3 HANSHAW & VILLAMANA, P.C.

4
5 By 
6 Russell E. Jones
7 D. Michael Mandig
8 Attorneys for Applicant, Trico Electric Cooperative,
9 Inc., an Arizona nonprofit corporation

10 Original and 13 copies transmitted for filing
11 this 11th day of July, 2006, with:

12 Docket Control
13 Arizona Corporation Commission
14 1200 W. Washington
15 Phoenix, AZ 85007

16 Copy of the foregoing mailed this 11th
17 day of July, 2006, to:

18 Prem Bahl
19 Arizona Corporation Commission
20 1200 W. Washington
21 Phoenix, AZ 85007

22 Linda Jaress
23 Arizona Corporation Commission
24 1200 W. Washington
25 Phoenix, AZ 85007

26 



**OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTTLE**

When recorded mail to:

Pinal County Board of Supervisors
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 05/13/05 1350
FEE: \$0.00
PAGES: 2
FEE NUMBER: 2005-055344

(The above space reserved for recording information)

CAPTION HEADING

Acceptance of expanded and amended Trico Electric Cooperative, Inc. utility franchise.

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

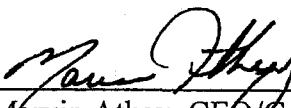
Grantee, Trico Electric Cooperative, Inc., a(n) Arizona corporation, does hereby accept the April 27, 2005 grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain lines for the transmission of electricity and related fixtures along, under and across present and future public streets, roads, alleys, easements and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the First Amended Franchise.

Dated this 9th day of May, 2005.

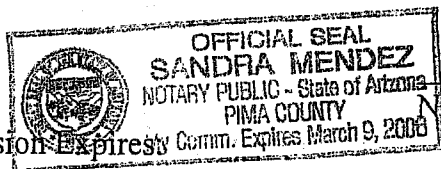
Trico Electric Cooperative, Inc.

By:

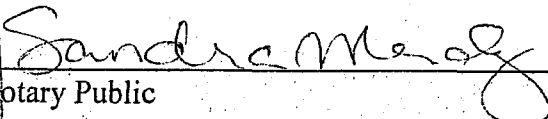

Marvin Athey, CEO/General Manager

STATE OF ARIZONA)
) ss.
County of Pima)

The foregoing instrument was acknowledged before me this 9th day of May, 2005, by Marvin Athey, CEO/General Manager of Trico Electric Cooperative, Inc., an Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.



My Commission Expires


Notary Public

3-9-2006



OFFICIAL RECORDS OF
PINAL COUNTY RECORDER
LAURA DEAN-LYTLE

When recorded mail to:

Pinal County Board of Supervisors
P.O. Box 827
Florence, Arizona 85232

DATE/TIME: 05/13/05 1350
FEE: \$0.00
PAGES: 13
FEE NUMBER: 2005-055343

(The above space reserved for recording information)

CAPTION HEADING

Expansion of Trico Electric Cooperative, Inc. utility franchise

Expansion and Amendment of the Trico Electric Cooperative, Inc. Electric Utility Franchise

WHEREAS, the Trico Electric Cooperative, Inc., had received a franchise from Pinal County for the distribution and transmission of electricity and purposes incident thereto, on May 4, 1987 (hereinafter Original Franchise"); and

WHEREAS, Trico Electric Cooperative, Inc., an Arizona corporation, duly authorized to conduct business in the State of Arizona, has duly filed and presented to the Board of Supervisors of the County of Pinal, State of Arizona, its application for expansion of the Original Franchise for the purpose of constructing, operating and maintaining lines for the transmission of electricity and related appurtenances along, under and across the rights-of-way of the public roads, streets, alleys, easements and highways, except federal and state highways (hereafter "Public Rights-of-Way"), within the unincorporated area of Pinal County, Arizona, as described in Exhibit "A" attached hereto (hereinafter "Expansion").

WHEREAS, upon filing of Trico Electric Cooperative, Inc.'s application for the Expansion, the Board of Supervisors of Pinal County ordered a public notice of its intent to consider the granting of the Expansion to be published in a newspaper of general circulation, in Pinal County, Arizona, stating the time and place for consideration of the Expansion was set for 9:30 am. On April 27, 2005, at the Pinal County Board of Supervisors' Hearing Room, Administration Building No. 1, Florence, Arizona.

WHEREAS, said application for the Expansion and Amendment having come on regularly for hearing at 9:30 a.m. on April 27, 2005; and it appearing from the affidavit of the publisher of the Florence Reminder & Blade-Tribune and the San Manual Miner that due and regular notice of said time and place set for the consideration of such action has been published for at least once a week for three consecutive weeks prior to said hearing date, to-wit: in the issues of the Florence Reminder & Blade-Tribune and the San Manual Miner published on April 6 (Miner), 7 (Reminder), 2005, April 13 (Miner), 14 (Reminder), 2005, and April 20 (Miner), 21 (Reminder), 2005, and the matter being called for hearing at 9:30 a.m. on April 27, 2005, an opportunity having been given to all interested parties to be heard.

WHEREAS, the Board of Supervisors of Pinal County has the power to amend an existing franchise pursuant to A.R.S. § 40-283.

NOW, THEREFORE,

Section 1: DEFINITIONS

The following terms used in this expansion and amendment of the Original Franchise shall have the following meanings:

- A. County: Pinal County, Arizona
- B. Board: Board of Supervisors of Pinal County, Arizona.
- C. Grantor: Pinal County, by and through its Board of Supervisors
- D. Grantee: Trico Electric Cooperative, Inc., an Arizona corporation, its successors and assigns
- E. Grantee's Facilities: Lines for the transmission of electricity and related appurtenances

Section 2: GRANT

A. Grantor, on April 27, 2005, hereby grants to Grantee, for a period of time not to exceed the Original Franchise, this expanded and amended franchise (hereinafter "First Amended Franchise") for the purpose of constructing, operating and maintaining lines for the transmission of electricity and related appurtenances along, under and across the Public Rights-of-Way under the terms and conditions set forth herein within the unincorporated area of Pinal County, Arizona, as described in the Expansion and the Original Franchise (hereinafter "Franchise Area").

B. Nonexclusive Franchise.

(1) The First Amended Franchise granted hereby shall not be exclusive and shall not restrict in any manner the right of County in the exercise of any regulatory power which it now has or which may hereafter be authorized or permitted by the laws of the State of Arizona. Nothing herein shall be construed to prevent County from granting other like or similar franchises to any other person, firm or corporation. County retains and shall ever be considered as having and retaining the right and power to allow and to grant to any other person, firm, corporation or other companies, franchise rights and privileges to be exercised in and upon its Public Rights of Way, and such of the same and parts thereof as County may deem best or choose to allow, permit, give or grant.

(2) Nothing herein shall be construed to prevent County and its proper authorities from constructing and installing sewers, gutters, or improvements to its Public Rights of Way, and for that purpose, to require the Grantee at Grantee's own expense to relocate Grantee's facilities to conform thereto and facilitate the same.

C. **Reservation of Rights.**

(1) County reserves the right to alter and amend the First Amended Franchise at any time and in any manner necessary for the safety or welfare of the public, and County reserves the right to impose at any time restrictions and limitations upon the use of the Public Rights of Way as County deems best for the public safety or welfare.

(2) In addition to the rights and powers expressly set forth herein, the County reserves all additional rights and powers with respect to the Grantee and this First Amended Franchise granted by A.R.S. §40-283. Accordingly, after due notice to Grantee the County shall have the right to modify, amend, alter or change any provisions of this First Amended Franchise to implement the provisions of A.R.S. §40-283; provided, however, the County shall not modify, amend, alter or change any of said provisions until after a public hearing, if such is legally required or requested by Grantee.

Section 3: RENEWAL/SUBSEQUENT APPLICATION/REMOVAL OF SYSTEM

A. The First Amended Franchise herein granted shall expire on the date provided for in the Original Franchise, or upon any prior forfeiture; and upon its termination, Grantee shall cease to exercise under the terms of the First Amended Franchise the rights and privileges herein granted. In the event the Grantee desires a renewal of the First Amended Franchise herein granted, or a new franchise for the area described in Exhibit "A" for a subsequent period, Grantee shall apply to and open negotiations with the County for that purpose a reasonable time before the expiration of the term of the First Amended Franchise herein granted, giving full consideration to the time required to negotiate the provisions of such renewed or new franchise, the time required to give public notice, the time for the Board to hold a meeting and to otherwise comply with the provisions of A.R.S. §40-283.E.

B. Upon termination of the First Amended Franchise, or any renewal thereof the Grantee shall remove its facilities from the Public Rights of Way within the Franchise Area and shall restore the areas to their original condition. If such removal is not completed within six months of such termination, County may deem any property not removed as having been abandoned.

Section 4: REGULATION

Grantee, its successors and assigns shall be subject to reasonable regulations for the maintenance by Grantee, its successors and assigns, of such portion of the Public Rights of Way used for the purpose of the public safety and welfare.

Section 5: CONSTRUCTION, INSTALLATION AND REPAIRS

A. Prior to the beginning of any construction for installation lines and related appurtenances, the Grantee, its successors and assigns will submit a plan of proposed construction to the Pinal County Engineer and will not commence any construction until the plan of construction is approved by the County Engineer or his designee, which approval shall not be unreasonably withheld.

B. All work performed by Grantee under the First Amended Franchise shall be done in the manner reasonably prescribed by County and reasonably subject to the supervision of County, and in strict compliance with all laws, ordinances, rules and regulations of federal, state and local governments.

C. No construction, reconstruction, repair, or relocation under the First Amended Franchise shall be commenced until written permits have been obtained from the proper county officials. In any permit so issued, such officials may impose such conditions and regulations as a condition of the granting of the same as are necessary for the purpose of protecting any structures in the Public Rights of Way and for the proper restoration of such highways, streets and structures, and for the protection of the public and the continuity of pedestrian and vehicular traffic.

D. No construction under the First Amended Franchise by Grantee shall impose upon County the duty to maintain any Public Rights-of-Way unless County accepts said Public Rights-of-Way into the county maintenance system as provided by law.

Section 6: INSPECTION

County shall, if it deems it necessary, have the right to inspect the construction, operation and maintenance of Grantee's facilities to insure the proper performance of the terms of the First Amended Franchise granted herein.

Section 7: SUFFICIENCY, LOCATION AND MAINTENANCE

All of Grantee's Facilities shall be in all respects adequate, efficient, substantial and permanent in design and workmanship, and shall be so located, erected and maintained so as not to interfere with the use and enjoyment of the Public Rights-of-Way. All of Grantee's Facilities erected by Grantee shall be maintained in a safe, suitable, substantial condition and in good order and repair.

Section 8: RELOCATION

A. During the term of the First Amended Franchise whenever County or any qualified authority having jurisdiction in the Franchise Area alters, repairs, improves, or changes the grade of, any Public Right-of-Way in the Franchise Area during the term of the First Amended Franchise, then and in such event, Grantee, its successors or assigns, at its own expense, shall promptly, upon reasonable notice, make such changes in the location, structure or alignment of its lines and related appurtenances as the public officials in charge of such work may deem necessary.

B. After thirty (30) days notice to Grantee, of needed changes or corrections and upon the failure of Grantee, to make such changes set forth in Section 8(A) above or to correct any damage to the Public Rights-of-Way within the Franchise Area caused directly or indirectly by Grantee, its agents, successors or assigns, County or its successors shall have the right to make such changes or corrections at the expense of said Grantee, its successors or assigns, and such expenses shall be due and payable upon written demand by County or its successors to Grantee, its successors or assigns.

Section 9: LIABILITY

A. If any Public Right-of-Way, or other public facility should be disturbed, altered, damaged or destroyed by Grantee, its employees, contractors, subcontractors or agents in the construction, installation, operation and maintenance of Grantee's Facilities under the First Amended Franchise, the same shall be promptly repaired, reconstructed, replaced or restored by Grantee, without cost to County, as soon as practicable and in as good condition as before Grantee's entry and to the reasonable satisfaction of County. If Grantee fails to make such restoration and repairs within a reasonable time, then County may fix a reasonable time for such restoration and repairs and shall notify Grantee in writing of the restoration and repairs required and the time fixed for the performance thereof. Upon failure of Grantee to comply within the time specified, County may cause proper restoration and repairs to be made, and the expense of such work shall be paid by Grantee upon demand by County.

B. Grantee shall be responsible to every owner of property which shall be injured by the work of construction, installation, operation or maintenance of Grantee's Facilities under the First Amended Franchise, all physical damage which shall be done to such injured property through any act or omission of Grantee, its employees, contractors, subcontractors or agents arising out of said construction, installation, operation or maintenance.

C. It is a condition of the First Amended Franchise that County shall not and does not by reason of the First Amended Franchise assume any liability of the Grantee whatsoever for injury to persons or damage to property.

Section 10: INDEMNIFICATION

Grantee by its acceptance of the First Amended Franchise agrees for itself, its successors and assigns that Grantee, its successors and assigns, at its sole cost and expense, shall indemnify, defend, save and hold harmless Pinal County, its elected officers, employees and agents from any and all lawsuits, judgments and claims for injury, death and damage to persons and property, both real and personal, caused by the construction, design, installation, operation or maintenance of any structure, equipment, lines or related appurtenances by Grantee within the Franchise Area. Indemnified expenses shall include, but not be limited to, litigation and arbitration expenses, and attorneys' fees.

Section 11: ACCEPTANCE BY GRANTEE / EFFECTIVE DATE FRANCHISE

The First Amended Franchise shall be accepted by Grantee by written instrument in the form attached hereto as Exhibit "B" (hereinafter "Acceptance"), executed and acknowledged by it as a deed is required to be, and filed with the Clerk of the Pinal County Board of Supervisors within thirty days after the date this First Amended Franchise is accepted by County. This First Amended Franchise shall be effective upon delivery of the Acceptance to the Clerk of the Pinal County Board of Supervisors in the form required and within the time specified above.

Section 12: LIMITS ON GRANTEE'S RECOURSE

A. Grantee by accepting the First Amended Franchise acknowledges that it has not been induced to accept the same by any promise, verbal or written, by or on behalf of County or by

any third person regarding any term or condition of the First Amended Franchise not expressed therein. Grantee by its acceptance of the First Amended Franchise further pledges that no promise or inducement, oral or written, has been made to any employee or official of County regarding receipt of the First Amended Franchise.

B. Grantee by its acceptance of the First Amended Franchise further acknowledges that it has carefully read the terms and conditions of the First Amended Franchise and accepts without reservation the obligations imposed by the terms and conditions herein.

Section 13: FAILURE TO ENFORCE FRANCHISE

Grantee shall not be excused from complying with any of the terms and conditions of the First Amended Franchise by any failure of County, upon any one or more occasions, to insist upon the Grantee's performance or to seek Grantee's compliance with any one or more of such terms or conditions.

Section 14: COMPLIANCE WITH THE LAW

Grantee shall at all times, conduct its business under the First Amended Franchise in accordance with all federal, state and local laws, rules and regulations, as amended, including any future amendments thereto as may, from time to time, be adopted.

Section 15: INTERPRETATION/GOVERNING LAW

The interpretation and performance of the First Amended Franchise and of the general terms and conditions shall be in accordance with and governed by the laws of the State of Arizona.

Section 16: VENUE

Exclusive venue for any legal action to enforce the provisions, terms and conditions of the First Amended Franchise shall be the Superior Court of the State of Arizona in and for the County of Pinal, Florence, Arizona..

Section 17: SEVERABILITY

If any section, provision, term or covenant or any portion of any section, provision, term or covenant of the First Amended Franchise is determined to be illegal, invalid or unconstitutional, by any court of competent jurisdiction or by any state or federal regulatory agency having jurisdiction thereof, such determination shall have no effect on any remaining portion of such section, provision, term or covenant or the remaining sections, provisions, terms or covenants of the First Amended Franchise, all of which will remain in full force and effect for the term of the First Amended Franchise or any renewal or renewals thereof

Section 18: FORFEITURE

A. If Grantee fails to comply with any of the provisions of this First Amended Franchise or defaults in any of its obligations hereunder, except for causes beyond the reasonable control of Grantee; and shall fail within thirty (30) days after written notice from County to commence, and

within a reasonable time, complete the correction of such default or noncompliance, County shall have the right to revoke this First Amended Franchise and all rights of Grantee hereunder. In the event Grantee makes a general assignment or general arrangement for the benefit of creditors; or a trustee or receiver is appointed to take possession of substantially all of Grantee's Facilities within the Franchise Area or of Grantee's interest in this First Amended Franchise, where possession is not restored to Grantee within a reasonable time; or Grantee's Facilities within the Franchise Area are subject to a valid attachment, execution or other seizure of substantially all of the Grantee's Facilities within the Franchise Area or this First Amended Franchise, where such seizure is not discharged, County may declare the First Amended Franchise, along with the Original Franchise, forfeited and terminated.

B. Nothing herein contained shall limit or restrict any other legal rights that County may possess arising from such violations.

Section 19: REVOCATION OF FRANCHISE

The First Amended Franchise, along with the Original Franchise, may, after due notice and hearing, be revoked by County for any of the following reasons:

- A. For false or misleading statements in, or material omissions from the application for and the hearing for the granting of the First Amended Franchise.
- B. For failure to comply with any of the material terms and conditions of the First Amended Franchise.

Section 20: ASSIGNMENT/TRANSFER

Before Grantee assigns or transfers any interest in this First Amended Franchise, Grantee shall give the Grantor written notice of Grantee's intention to do so, which written notice shall accurately state that the proposed assignee is financially responsible and has the personnel and facilities to properly perform the Grantee's obligations in connection with this First Amended Franchise. At the time of the notice, Grantee shall furnish adequate written proof to the Grantor of the proposed assignee's financial responsibility and its ability to properly perform such obligations of the Grantee. The proposed assignment shall not be made until the Grantee has fully complied with the provisions of this Section. Upon approval by Grantor, which shall not be unreasonably withheld, Grantee may assign or transfer all of Grantee's rights and privileges in the First Amended Franchise to the proposed assignee. Such assignment or transfer shall not become effective until the Grantor is in receipt thereof, whereupon the Grantee's future obligations in connection with this First Amended Franchise shall terminate and said assignee shall assume all of Grantee's obligations pursuant to this First Amended Franchise.

Section 21: NOTICE

Notices required under the First Amended Franchise shall be delivered or sent by certified mail, postage prepaid to:

Grantor:

Clerk of the Pinal County Board of Supervisors
P.O. Box 827
31 N. Pinal Street
Florence, Arizona 85232

Grantee:

Trico Electric Cooperative, Inc.
Attn: General Manager
8600 West Tangerine Road
Marana, Arizona 85653

The delivery or mailing of such notice shall be equivalent to direct personal notice and shall be deemed to have been given at the time of delivery or receipt of mailing. Either party may change its address under this section by written notice to the other party.

Section 22: REMEDIES

Rights and remedies reserved to the parties by the First Amended Franchise are cumulative and shall be in addition to and not in derogation of any other rights or remedies which the parties may have with respect to the subject matter of the First Amended Franchise and a waiver thereof at any time shall not affect any other time.

Section 23: RIGHT OF INTERVENTION

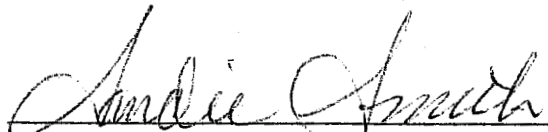
County hereby reserves to itself; and Grantee hereby grants to County, the right to intervene in any suit, action or proceeding involving any provision in the First Amended Franchise.

Section 24: BOOKS AND RECORDS


Grantee shall maintain books and records that identify all of Grantee's underground facilities by type and location within the Franchise Area. Grantee will make such books and records available to County upon County's request and without cost to County.

IN WITNESS WHEREOF, the Board of Supervisors of Pinal County, Arizona, by its Chairman and its Clerk, thereunto duly authorized, has hereunto set its hand and cause its official seal to be affixed on this 27th day of April, 2005.

PINAL COUNTY BOARD OF SUPERVISORS


Sandie Smith, Chairman

ATTEST:


Sheri Cluff, Deputy Clerk of the Board

APPROVED AS TO FORM:

ROBERT CARTER OLSON
PINAL COUNTY ATTORNEY

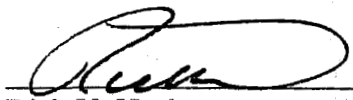

Rick V. Husk
Deputy County Attorney



Exhibit A

All of Sections 8, 9, 10, 11, 12, 13, 14, 15, 22, 23, 24, 25, 26, 27, 28, 33, 34, 35, 36, Township 8 South, Range 13 East, Gila and Salt River and Meridian, Pinal County, Arizona.

All of Sections 7, 8, 17, 18, 19, 20, 29, 30, 31, 32, Township 8 South, Range 14 East, Gila and Salt River and Meridian, Pinal County, Arizona.

Exhibit B

SAMPLE ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Trico Electric Cooperative, Inc., a(n) Arizona corporation, does hereby accept the

2005, grant of an First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain lines for the transmission of electricity and related fixtures along, under and across present and FUTURE public streets, roads, alleys, easements and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the First Amended Franchise.

ACCEPTANCE OF EXPANDED AND AMENDED FRANCHISE

To: Board of Supervisors Pinal County, Arizona

Grantee, Trico Electric Cooperative, Inc., a(n) Arizona corporation, does hereby accept the April 27, 2005 grant of a First Amended Franchise from Pinal County, Arizona, to construct, operate, and maintain lines for the transmission of electricity and related fixtures along, under and across present and future public streets, roads, alleys, easements and highways, except state highways, within the unincorporated area of Pinal County, Arizona, as described in the Application, which is made a part hereof

Grantee unconditionally accepts the franchise and covenants to faithfully comply with, abide by, to observe and perform all the provisions, terms and conditions of the First Amended Franchise.

Dated this _____ day of _____ 2005.

Trico Electric Cooperative, Inc.

By: _____

Title: _____

STATE OF ARIZONA)
)
County of)

The foregoing instrument was acknowledged before me this ____ day of _____, 2005, by _____, _____ of _____ a(n) Arizona corporation, and being authorized to do so, executed the foregoing instrument on behalf of the corporation for the purposes therein stated.

Notary Public

My Commission Expires:

| _____